CANADA·SASKATCHEWAN
Crop Insurance

Annual Report
1987 - 1988

Saskatchewan
Crop Insurance
Corporation

Agriculture
Canada

Government of
Saskatchewan

89-02800/

Saskatchewan Crop Insurance Corporation

Annual Report

For the year ending March 31, 1988

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LETTERS OF TRANSMITTAL

Her Honour
The Honourable Sylvia O. Fedoruk
Lieutenant Governor of the Province of Saskatchewan

Dear Madam:

I have the honour to transmit herewith the Annual Report of the Saskatchewan Crop Insurance Corporation for the year ended March 31, 1988, including the financial statements therefore, duly certified by Peat Marwick in the form approved by the Treasury Board, all in accordance with the Saskatchewan Crop Insurance Act, 1984.

I have the honour to be, Sir,
Your Obedient Servant,

Neal Hardy
Minister-in-charge
Saskatchewan Crop Insurance Corporation

To the Honourable Neal Hardy
Minister-in-charge
Saskatchewan Crop Insurance Corporation
Regina, Saskatchewan

Sir:

Presented herewith is the Twenty Eighth Annual Report of the Saskatchewan Crop Insurance Corporation for the fiscal year ended March 31, 1988.

Respectfully submitted,

Saskatchewan Crop Insurance Corporation

William Farley
Chairman

Henry Zilm
President

OVERVIEW

Program Background

The Saskatchewan Crop Insurance Corporation has administered the Canada-Saskatchewan Crop Insurance Program since 1961.

The primary objective of the Canada-Saskatchewan Crop Insurance Program is to make available to the farmers of the province a comprehensive, all-risk Crop Insurance plan. The availability of the program provides a stabilizing effect on farm income in years of heavy losses.

The Program offers protection against crop loss that is due to natural hazards. Insured producers are guaranteed a minimum production of the designated grade for each crop. Spot-loss protection is provided for losses due to hail or fire. The costs of reseeding are covered on a similar basis under the reseeding benefit. Protection is available against the inability to seed insured acreage due to excess moisture. Coverage is also available to Saskatchewan honey producers to ensure a guaranteed level of production.

The Saskatchewan Crop Insurance Corporation provided coverage to over 46,000 farm producers.

Objectives:

Under the Crop Insurance Act, Statutes of Saskatchewan, 1983-84, Chapter C-47.2, the Corporation is empowered to:

(a) Engage in the business of crop insurance by making available actuarially sound insurance programs to eligible producers;

(b) Administer the Crop Insurance Fund;

(c) Provide such facilities and employees as are needed to carry out the authority and responsibility of the Corporation; and,

(d) Make grants to producers suffering crop losses from damage caused by migratory waterfowl.

Financial participation Governments of Canada and Saskatchewan

The Government of Canada contributes 50 per cent of the total premium which totalled $62 million for 1987-88.

The Government of Saskatchewan contributes all of the administration costs which totalled $9 million for 1987-88.

CORPORATE DIRECTORY

Chairman's Message

The 1987-88 crop year proved to be a relatively low claim and indemnity year.

Just over 30,000 claims representing approximately $87 million in indemnities were paid.

The Saskatchewan Crop Insurance Corporation officially opened the doors to the new corporate head office in Melville in June of 1987. Close to 600 local residents joined Premier Grant Devine, Grant Schmidt, MLA for Melville and Neal Hardy, minister responsible for Saskatchewan Crop Insurance Corporation and other dignitaries in ribbon cutting and tours of the building.

The first year of business in Melville proved to be exciting for the new staff members of the corporation. Board members were pleased with the enthusiasm and professional way in which staff members handled their new duties and responsibilities.

The move to Melville was a success, signalling what I believe to be a new and vibrant commitment by the corporation to rural Saskatchewan and its people.

The Board of Directors of Saskatchewan Crop Insurance Corporation will help build on this commitment, providing leadership and strength, as the corporation strives to provide a modern insurance program to meet today's modern farm requirements.

Bill Farley
Chairman of the Board
Saskatchewan Crop Insurance Corporation

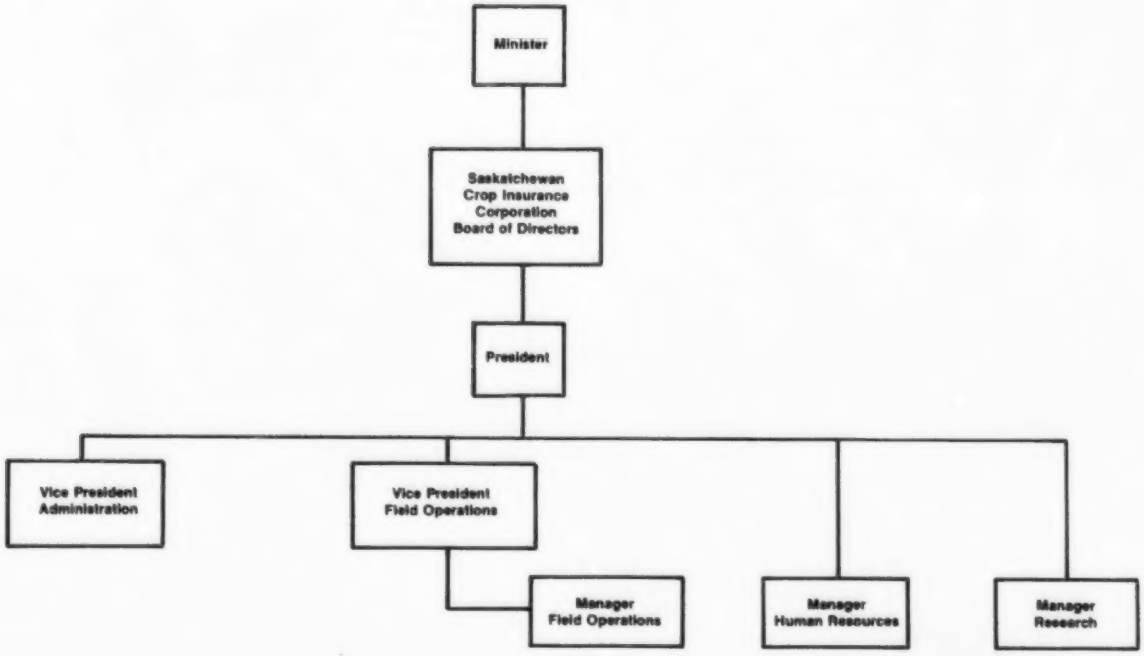
CORPORATE DIRECTORY

Corporation's Principal Officers

The principal officers of the Corporation for 1987-88 were:

Henry Zilm, President
Earl Silcox, Vice President Field Operations
Jim Walters, Vice President Administration
Ron Osika, Manager Field Operations
John Persson, Manager Human Resources
Merv Ross, Manager Research

Saskatchewan Crop Insurance Corporation Organization Chart



PROGRAM FEATURES

Insurable causes of loss:

Protection is provided against crop losses caused by any of nature's uncontrollable hazards including: drought, flood, frost, hail, fire, excessive rain, snow, hurricane, tornado, wind, wildlife, insect pests and plant disease.

Crops insurable:

Hard red spring wheat, durum wheat, utility wheat, winter wheat, barley, oats, fall rye, spring rye, flax, canola, tame mustard, sunflowers, field peas, lentils, fababeans, canary seed, soft white spring wheat, sweetclover, triticale and honey.

Tame perennial forages grown for fodder were also insured in the Southern part of the province under a weather-based program.

Honey Insurance:

Honey insurance was provided to approximately 30 producers in the three production regions.

Type of Insurance:

(i) Production guarantee:

Each producer is guaranteed a minimum quantity of production for each crop insured. The insured is indemnified if the yield on the insured acreage falls below this minimum.

(ii) Quality guarantee:

Production of each insured crop is guaranteed to grade at least as high as the designated grade for that crop. An insured's production is adjusted downwards if the quality is below that of the designated grade.

(iii) Hail/fire spot-loss benefit:

Spot-loss coverage is provided for hail and fire damage at no additional cost to the insured.

Coverage for hail or fire damage is equal to the yield-loss coverage selected for each crop. Spot-loss indemnities do not lower the production guarantee, but indemnities from both spot-loss and yield-loss cannot exceed the production guarantee.

(iv) Reseeding benefit:

The reseeding benefit is paid to producers when reseeding is required due to insurable causes, up to the final seeding date. Payments are made on a spot-loss basis, and do not affect yield-loss coverage on the reseeded crop.

(v) Unseeded acres insurance option:

This option allows the producers to insure against moisture conditions that make it impossible to seed intended acreage by the seeding deadline.

(vi) Unseeded acreage option:

This option allows the producers to insure against moisture conditions that make it impossible to seed intended acreage by the seeding deadline.

(vii) Individual coverage option:

This feature provides the insured with the option of selecting coverage based on individual rather than area yields. Coverage will be provided at the rate of 80% of the average yield for the last ten years. As data is collected for this option, the relationships established will be used to replace the area-based figures. Individual coverage selection applies to all crops except sweetclover.

(viii) Pedigreed seed option:

This option is available to members of the Canadian Seed Growers Association. It provides a higher price option for all pedigreed crops with the exception of sweetclover.

PROGRAM FEATURES

Multi Year Disaster Benefit Program

Enhanced coverage is provided to producers in areas where major crop losses have occurred in successive years under the Multi Year Disaster Benefit Program. The program is the result of a federal-provincial initiative to deal with multi-year crop disasters through the crop insurance program, rather than through the use of ad-hoc programs. The program is part of a comprehensive strategy to provide disaster relief in the Prairie Provinces in the event of successive years of widespread crop loss such as 1984 and 1985. The additional coverage is intended to provide increased compensation to offset the dramatic impact that consecutive disaster losses have on local economies.

Insured producers selecting area-based coverage will have their chosen coverage of either 60% or 70% increased by an additional 10% of average yield in areas that qualify for enhanced coverage. Qualifying areas are those that have suffered major losses in two consecutive crop years.

Coverage adjustment:

Base coverages are established according to the average yield for each risk area. The coverage adjustment feature relates coverage more closely to the actual yields on an individual farm. An insured's coverage is increased or reduced depending upon his experience with a particular crop within the Crop Insurance Program.

With favorable experience, the coverage may increase up to 125 per cent of the base coverage, while with less favorable experience, the coverage may be reduced as low as 70 per cent of the base. Adjustments are determined by the accumulated loss to premium ratio for that crop.

Experience discount:

This feature provides a reduction in premiums to producers as they accumulate no-loss years in the Program, in recognition of differences in risks between individual farmers.

Each year in the Program without a loss results in a gradual reduction in premium to a maximum discount of 50 per cent. When losses occur, the premium is adjusted upwards again, based on the amount of the loss relative to the premium paid, however, the discount can never fall below zero.

Price options:

Two price options are available for each insured crop. The individual may select either the high or low option. The price selected is used to determine the indemnity payable if a shortfall in production occurs. The price options are reviewed annually with consideration for prevailing market prices and costs of production.

Coverages and premium rates:

The province is divided into 23 risk areas so that coverage and premium rates can be established for each crop in accordance with the crop yield history and risks common to each area. Coverage for each crop is based on 60 to 70 per cent of the recent 15 year average yield for summerfallow and stubble for each risk area. Higher coverage is afforded to summerfallow than to stubble crops.

The premium rate for each risk area is based on the cropping history and yield variability within the area for the past 25 years.

A land productivity rating has been established for each quarter section based on the productive capability of the soil. The land rating establishes the coverage and premium rate assigned to each quarter section.

Irrigated crops are provided coverage at rates in accordance with the increased yields and reduced risk resulting from an assumed water supply.

Establishment benefit:

The establishment benefit is similar in principle to the reseeding benefit, but applies to fall-seeded crops which fail to establish by spring. Coverage of $15 per acre is provided.

SUMMARY 1987

General Summary

In 1987 the Saskatchewan Crop Insurance Corporation had approximately 46,500 contract holders, down approximately 2500 from 1986.

Liability exceeded $1.1 billion in 1987 representing close to 22 million seeded acres compared to $1.7 billion and 23 million seeded acres in 1986.

Revenues for 1987 totalled $130.9 million compared to $174.3 million in 1986.

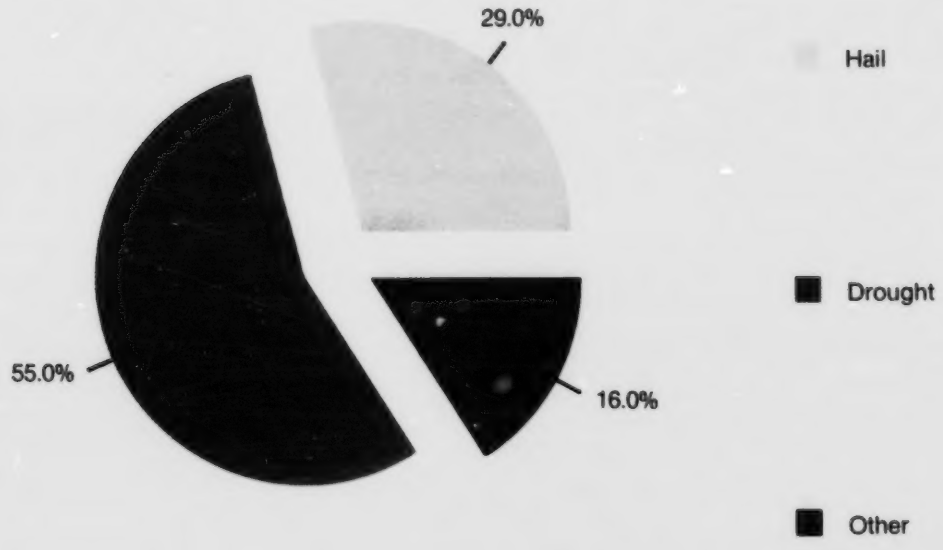
SUMMARY 1987

Summary of Coverages and Indemnities

	Crop Year	
	1986	1987
Contracts	48,952	46,492
Acres (M)	23.5	21.8
Liability (B)	$1.778	$1.161
Revenue (M)	$174.3	$130.9
Indemnities (M)		
Spot-loss hail	$41.7	$25.1
Yield loss	$71.8	$60.1
Reseeding benefit	$5.5	$2.0
Unseeded acres	$0.035	$0
Total	$119	$87.2
Loss Ratio	0.68	0.67

Of all indemnities paid, 55 per cent were due to drought and 29 per cent due to hail. Of the 107,042 crops insured, 25,547 received indemnities.

1987 Causes of Loss



SUMMARY 1987

Claims Summary

	Crop Year	
	1986	1987
Pre-Harvest	1,719	1,421
Post-Harvest	19,009	15,536
Reseeding Benefit	5,456	1,656
Unseeded Acres	22	0
Spot-Loss Hail	18,821	14,295
Spot-Loss Fire	32	7
	45,059	32,915

AUDITOR'S REPORTS

Saskatchewan Crop Insurance Corporation
Financial statements
for the year ended March 31, 1988

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KPMG Peat Marwick

Chartered Accountants

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AUDITORS' REPORT

To the Members of the Legislative Assembly

Province of Saskatchewan

We have examined the balance sheet of the Saskatchewan Crop Insurance Corporation as at March 31, 1988 and the statements of operations and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

The comparative figures for 1987 were reported on by another chartered accountant.

Peat Marwick

Chartered Accountants

Regina, Canada

July 15, 1988

Member Firm of
Klynveld Peat Marwick Goerdeler

SASKATCHEWAN CROP INSURANCE CORPORATION

Balance Sheet

March 31, 1988 with comparative figures for 1987

		1988	1987
Assets			
Cash	$	152,087	–
Inventory		69,780	85,230
Prepaid expenses		43,951	10,199
Investments		49,886,309	27,897,362
Accounts receivable (note 2)		3,979,883	6,856,722
Premiums receivable (less allowance for doubtful accounts - $2,974,204; 1987 - $2,663,925)		2,716,740	6,252,998
Due from Crop Reinsurance Fund of Saskatchewan		35,544,333	54,787,354
Fixed assets - office and field equipment - at cost		422,886	367,928
	$	92,815,969	96,257,793
Liabilities and Equity			
Liabilities:			
Bank overdraft	$	–	2,098,380
Accounts payable and accrued liabilities		984,776	776,541
Indemnities payable		1,709,949	6,035,166
Due to Minister of Finance (note 4)		79,235,331	79,235,331
Due to Crop Reinsurance Fund of Canada for Saskatchewan		1,159,325	2,019,347
		83,089,381	90,164,765
Equity:			
Equity in fixed assets		422,886	367,928
Retained earnings (note 3)		9,303,702	5,725,100
	$	92,815,969	96,257,793

See accompanying notes to financial statements.

SASKATCHEWAN CROP INSURANCE CORPORATION

Statement of Operations and Retained Earnings

Year ended March 31, 1988 with comparative figures for 1987

	1988	1987
Revenue:		
Gross premiums (less experience discounts - $5,315,140; 1987 - $5,503,361)	$ 61,969,782	88,008,642
Government of Canada contributions	64,143,405	82,680,545
	126,113,187	170,689,187
Less premiums ceded:		
Crop Reinsurance Fund of Canada for Saskatchewan	19,243,021	24,804,164
Crop Reinsurance Fund of Saskatchewan	19,243,021	24,804,164
	38,486,042	49,608,328
Net premiums	87,627,145	121,080,859
Interest on investments	3,778,633	2,291,166
Interest on overdue accounts	977,408	1,328,725
Total revenue	92,383,186	124,700,750
Expenditures:		
Indemnities	87,240,750	119,054,329
Doubtful accounts	459,074	1,224,375
Total expenditures	87,699,824	120,278,704
Excess of revenue over expenditures insurance operations	4,683,362	4,422,046
Excess (deficiency) of revenue over expenditures general administration (Schedule 1)	(1,104,760)	1,267,140
Excess of revenue over expenditures for the year	3,578,602	5,689,186
Retained earnings, beginning of year	5,725,100	35,914
Retained earnings, end of year	$ 9,303,702	5,725,100

See accompanying notes to financial statements.

SASKATCHEWAN CROP INSURANCE CORPORATION

Statement of Changes in Financial Position

Year ended March 31, 1988 with comparative figures for 1987

		1988	1987
Cash provided by operations:			
Excess of revenue over expenditures	$	3,578,602	5,689,186
Net changes in non-cash items relating to operations:			
Decrease in inventory		15,450	28,183
Decrease (increase) in prepaid expenses		(33,752)	21,663
Decrease (increase) in accounts receivable		2,876,839	(102,013)
Decrease (increase) in premiums receivable		3,536,258	(3,165,235)
Decrease in due from Crop Reinsurance Fund of Saskatchewan		19,243,021	24,804,164
Increase in accounts payable		208,235	86,354
Decrease in indemnities payable		(4,325,217)	(1,401,738)
Decrease in due to Minister of Finance		–	(169,614,254)
Increase (decrease) in due to Crop Reinsurance Fund of Canada for Saskatchewan		(860,022)	169,916,856
Increase in cash and investments		24,239,414	26,263,166
Cash (bank overdraft) and investments, beginning of year		25,798,982	(464,184)
Cash (bank overdraft) and investments, end of year	$	50,038,396	25,798,982
Represented by:			
Cash (bank overdraft)	$	152,087	(2,098,380)
Investments		49,886,309	27,897,362
	$	50,038,396	25,798,982

See accompanying notes to financial statements.

SASKATCHEWAN CROP INSURANCE CORPORATION

Notes to Financial Statements

March 31, 1988

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1. Significant accounting policies:

Revenue:

General administration revenue of the Corporation includes sums appropriated by the Legislature.

Fixed assets:

The Corporation utilizes a fund accounting basis wherein fixed asset purchases appear in the statement of revenue and expenditures as an expense. To maintain accountability for fixed assets, it is necessary to record them as a balance sheet asset with a corresponding entry to "Equity in fixed assets". As asset purchases and disposals appear in the statement of revenue and expenditures, no provision is made for depreciation on fixed assets.

Inventory:

Inventory represents office supplies on hand at the end of the year which are valued at cost. The Corporation has adopted the first in , first out method of cost determination for valuation purposes.

Investments:

Short-term investments are recorded at cost which approximates market value.

Indemnities payable:

The provision for indemnities payable includes the cost of indemnities reported and processed but not paid and an estimate, based on the average loss for crops suffering the same type of damage, for those indemnities that had been reported but not processed at year-end. The amount of the estimate is $228,903 (1987 - $1,009,918).

SASKATCHEWAN CROP INSURANCE CORPORATION

Notes to Financial Statements

March 31, 1988

1. **Significant accounting policies (continued):**

Cost sharing:

A. Contributions:

In accordance with the Crop Insurance Agreement between the Government of Canada and the Province of Saskatchewan, the Government of Canada has agreed to reimburse the Province for the contributions it has made to the Saskatchewan Crop Insurance Fund in accordance with the terms of The Crop Insurance Act (Canada). The reimbursements received from Canada are deposited in the Consolidated Fund.

Section 11(4) of The Crop Insurance Act (Saskatchewan) provides that the Minister of Finance of the Province of Saskatchewan may pay out of the Consolidated Fund into the Saskatchewan Crop Insurance Fund in each fiscal year contributions not exceeding the total of the amounts that insured persons have paid as premiums in respect of contracts of insurance in that fiscal year. Premiums paid for the purposes of this calculation are net of discounts and exclude interest, surcharges and penalties.

For financial statement purposes, contributions from the Consolidated Fund are described as contributions from the Government of Canada and amounts due on the final claim as accounts receivable from the Government of Canada.

B. Reinsurance Funds:

The Crop Insurance Agreement between the Governments of Saskatchewan and Canada provides for two reinsurance funds.

(i) The Crop Reinsurance Fund of Saskatchewan - to be administered by the Government of Saskatchewan, and

(ii) The Crop Reinsurance Fund of Canada for Saskatchewan - to be administered by the Government of Canada.

1. Significant accounting policies (continued):

Under the terms of the agreement the Saskatchewan Crop Insurance Corporation is required to pay premiums ceded into the reinsurance funds based on premiums received during that insurance year including the matching contributions made by the Province.

Per the agreement, payments may be made out of the Reinsurance Funds if indemnities required to be paid in an insurance year exceed the aggregate of:

a) the premium receipts for the year less reinsurance premiums ceded

b) the balance in the Saskatchewan Crop Insurance Corporation - Insurance operation

c) 2 1/2% of the total liability under policies of insurance in force in the insurance year which would have to be paid by the Crop Reinsurance Fund of Saskatchewan or by the Province of Saskatchewan.

The balance of indemnities to be paid would be shared 75% by Canada and 25% by Saskatchewan out of the respective Reinsurance Funds.

SASKATCHEWAN CROP INSURANCE CORPORATION

Notes to Financial Statements

March 31, 1988

2. Accounts receivable:

The accounts receivable of the Corporation at the end of the year include the following:

	1988	1987
General administration	$ 115,466	125,576
Due from Minister of Finance under Federal Provincial Crop Insurance Agreement	3,864,417	6,731,146
	$ 3,979,883	6,856,722

3. Retained earnings:

The retained earnings at the end of the year included the following:

	1988	1987
Insurance operation	$ 9,105,408	4,422,046
General administration	198,294	1,303,054
	$ 9,303,702	5,725,100

4. Related party transactions:

Included in these financial statements are expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown controlled departments, agencies and corporations with which the Corporation is related.

Account balances resulting from these transactions are included in the statement of financial position and are settled on normal trade terms, except for the amounts due to Minister of Finance. These amounts are non-interest bearing.

5. Comparative figures:

Certain of the 1987 comparative figures have been restated to conform with the current year's presentation.

SASKATCHEWAN CROP INSURANCE CORPORATION

Schedule 1 - Schedule of General Administration Revenue and Expenditures

Year ended March 31, 1988 with comparative figures for 1987

	1988	1987
Revenue:		
Province of Saskatchewan appropriation	$ 8,373,700	11,855,000
Interest on investments	115,289	141,513
Adjusting waterfowl, wildlife and lure crops	178,932	260,926
Miscellaneous	4,616	7,481
Total revenue	8,672,537	12,264,920
Expenditures:		
Adjusting hail claims	525,375	666,928
Advertising	124,112	110,955
Board members - honorarium and travel	54,234	45,165
Computer and analyst services	465,407	800,315
Employee benefits	478,845	490,274
Equipment rental	27,162	17,432
Freight and messenger services	23,317	17,486
Inspection fees	43,406	96,305
Legal and professional fees	123,012	76,643
Office rental	592,268	424,451
Office supplies	159,456	138,984
Postage	294,040	320,815
Printing and duplicating	175,839	207,510
Repairs and other services	118,340	278,037
Salaries	5,050,566	5,806,694
Telephone	206,222	126,543
Travel and sustenance	1,260,738	1,349,545
Total expenditures	9,722,339	10,974,082
Excess (deficiency) of revenue over expenditures before equipment purchases	(1,049,802)	1,290,838
Fixed asset purchases	(54,958)	(23,698)
Excess (deficiency) of revenue over expenditures for the year	$ (1,104,760)	1,267,140

See accompanying notes to financial statements.

KPMG Peat Marwick

Chartered Accountants

200 Saskatchewan Place
1870 Albert Street
Regina, Saskatchewan S4P 4B7

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AUDITORS' REPORT

To the Members of the Legislative Assembly

Province of Saskatchewan

We have examined the balance sheet of the Crop Reinsurance Fund of Saskatchewan as at March 31, 1988 and the statements of revenue, expenditure and fund balance for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1988 and the results of its operations for the year then ended in accordance with accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

The comparative figures for 1987 were reported on by another chartered accountant.

Peat Marwick

Chartered Accountants

Regina, Canada

July 15, 1988

CROP REINSURANCE FUND OF SASKATCHEWAN

Balance Sheet

March 31, 1988 with comparative figures for 1987

	1988	1987
Liability and Fund Balance		
Liability:		
Due to Saskatchewan Crop Insurance Corporation (Note 3)	$ 35,544,333	54,787,354
Fund balance	(35,544,333)	(54,787,354)
	$ –	–

See accompanying notes to financial statements.

CROP REINSURANCE FUND OF SASKATCHEWAN

Statement of Revenue, Expenditure and Fund Balance

Year ended March 31, 1988 with comparative figures for 1987

	1988	1987
Revenue:		
Premium ceded from Saskatchewan Crop Insurance Corporation - Insurance operation	$ 19,243,021	24,804,164
Expenditure:		
Indemnities incurred	–	–
Excess of revenue over expenditure for the year	19,243,021	24,804,164
Fund balance, beginning of year	(54,787,354)	(79,591,518)
Fund balance, end of year	$ (35,544,333)	(54,787,354)

See accompanying notes to financial statements.

CROP REINSURANCE FUND OF SASKATCHEWAN

Notes to Financial Statements

March 31, 1988

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1. **Significant accounting policies:**

Premiums ceded from Saskatchewan Crop Insurance Corporation - Insurance Corporation

Under the terms of the agreement indicated in Note 2, the Saskatchewan Crop Insurance Corporation is required to pay premiums ceded into the Reinsurance Funds based on premiums received during the insurance year.

Liability for claim payments from the Reinsurance Funds

As provided for in the agreement indicated in note 2, payments may be made out of the Reinsurance Funds if indemnities required to be paid in an insurance year exceed the aggregate of:

a) the premium receipts for the year less reinsurance premiums ceded.

b) the balance in the Saskatchewan Crop Insurance Corporation - Insurance operation.

c) 2 1/2% of the total liability under policies of insurance in force in the insurance year which would have to be paid by the Crop Reinsurance Fund of Saskatchewan or by the Province of Saskatchewan.

The balance of indemnities to be paid would be shared 75% by Canada and 25% by Saskatchewan out of the respective Reinsurance Funds.

CROP REINSURANCE FUND OF SASKATCHEWAN

Notes to Financial Statements

March 31, 1988

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2. Status of the fund:

The Crop Insurance Agreement between the Governments of Saskatchewan and Canada provides for the establishment of two reinsurance funds:

i) The Crop Reinsurance Fund of Saskatchewan - which is administered by the Government of Saskatchewan, and

ii) The Crop Reinsurance Fund of Canada for Saskatchewan - which is administered by the Government of Canada.

3. Due to Saskatchewan Crop Insurance Corporation:

The balance due to Saskatchewan Crop Insurance Corporation represents:

a) the difference between the estimated premium ceded during the year and the actual calculated for the year based on the gross premium collected; and

b) the difference between the estimated claim submitted by the reinsured based on the estimated indemnities payable and the actual reinsurance claims calculated at the year end.

The Province of Saskatchewan, pursuant to the agreement described in Note 2, has agreed to make interest free advances to the Crop Reinsurance Fund of Saskatchewan so that the Reinsurance Fund can meet its obligations to the Saskatchewan Crop Insurance Corporation.

4. Balance in the Crop Reinsurance Fund of Canada for Saskatchewan:

The balance in the Crop Reinsurance Fund of Canada for Saskatchewan as at March 31, 1988 was a deficit of $101,311,305 (1987 - $121,414,345).

ANALYSIS OF INSURANCE

Canada-Saskatchewan Crop Insurance Program
Comparative Statistics*
Coverage and premium

	Insurance Coverage	Average Coverage	Insureds' Net Premium	Average Premium	Average Rate (%)
1961-62	306,500	1,580	23,925	123	7.8
1962-63	2,319,000	1,734	171,284	128	7.4
1963-64	3,683,000	1,648	275,645	123	7.5
1964-65	4,088,000	1,735	278,926	118	6.8
1965-66	4,566,000	1,440	290,708	92	6.4
1966-67	12,125,000	1,734	743,154	106	6.1
1967-68	15,910,000	1,938	941,146	115	5.9
1968-69	27,165,000	2,201	1,719,898	139	6.3
1969-70	21,194,000	1,821	1,320,748	113	6.2
1970-71	9,039,200	995	567,835	63	6.3
1971-72	14,625,000	1,854	782,908	99	5.4
1972-73	29,840,005	2,519	1,821,463	154	6.1
1973-74	140,436,128	5,874	6,780,470	284	4.8
1974-75	288,263,532	9,177	14,536,220	463	5.0
1975-76	405,089,832	10,604	19,821,549	506	4.9
1976-77	542,207,973	13,852	25,986,032	664	4.8
1977-78	704,688,894	14,944	34,761,664	736	4.9
1978-79	708,193,202	16,457	33,258,275	773	4.7
1979-80	721,821,633	17,976	33,068,306	824	4.6
1980-81	935,838,614	21,840	41,457,643	968	4.4
1981-82	1,162,172,942	25,123	53,612,350	1,159	4.6
1982-83	1,233,908,814	27,748	56,458,215	1,270	4.6
1983-84	1,254,906,517	29,184	56,017,456	1,303	4.5
1984-85	1,345,493,742	30,971	62,690,884	1,443	4.7
1985-86	1,558,492,595	33,234	76,052,344	1,622	4.9
1986-87**	1,778,772,508	36,337	88,008,642	1,798	4.9
1987-88	1,161,135,578	24,975	61,969,782	1,333	5.3

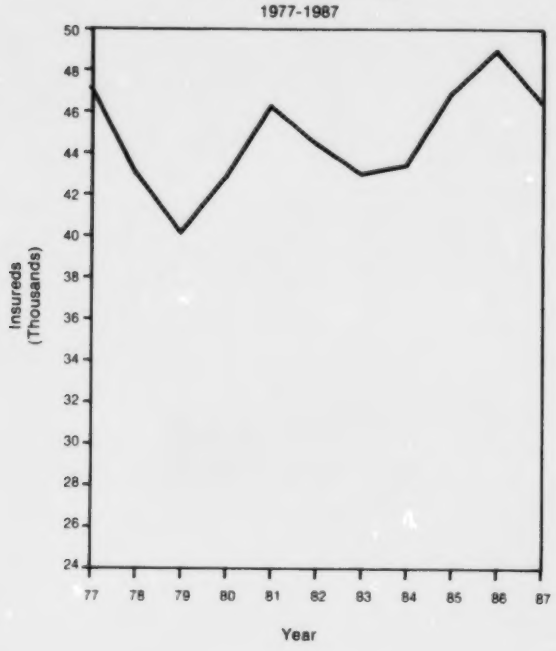
*Does not include data for the Forage and Honey Programs.
**Includes coverage under Multi-Year Disaster Benefit Program.

Contracts and liability by risk area

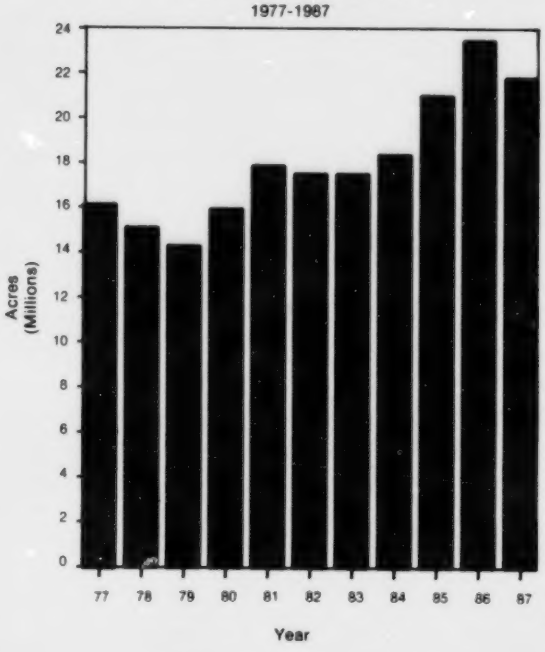
Risk Area	Total Contracts 1986	Total Contracts 1987	Total Liability 1986	Total Liability 1987
01	1,118	1,076	$ 44,878,179	$ 31,321,417.72
02	1,520	1,456	62,773,588	32,478,948.85
03	2,517	2,389	95,484,272	51,388,008.67
04	1,168	1,101	64,145,438	29,076,111.76
05	1,444	1,329	50,896,446	30,734,088.88
06	3,257	3,131	123,264,871	71,627,717.95
07	2,139	1,948	60,338,835	43,854,820.48
08	3,006	2,879	114,234,524	75,774,259.06
09	1,391	1,324	47,579,047	28,827,051.67
10	2,716	2,601	96,317,755	59,549,180.87
11	3,236	2,988	82,302,092	60,461,641.18
12	1,781	1,670	63,831,044	42,870,413.75
13	558	531	25,042,778	16,476,740.57
14	3,446	3,186	86,222,377	59,610,398.23
15	3,363	3,246	121,512,170	85,803,767.02
16	5,054	4,889	225,489,501	148,656,905.85
17	3,702	3,570	126,368,278	90,423,907.81
18	1,626	1,525	60,588,189	43,318,921.75
19	620	584	26,594,402	18,412,214.90
20	1,467	1,424	73,054,625	50,595,693.71
21	1,840	1,740	62,493,904	44,145,666.79
22	1,068	1,052	37,062,344	26,401,747.20
23	915	853	28,297,849	19,325,953.45
	48,952	46,492	$1,778,772,508	$1,161,135,578.12

ANALYSIS OF INSURANCE

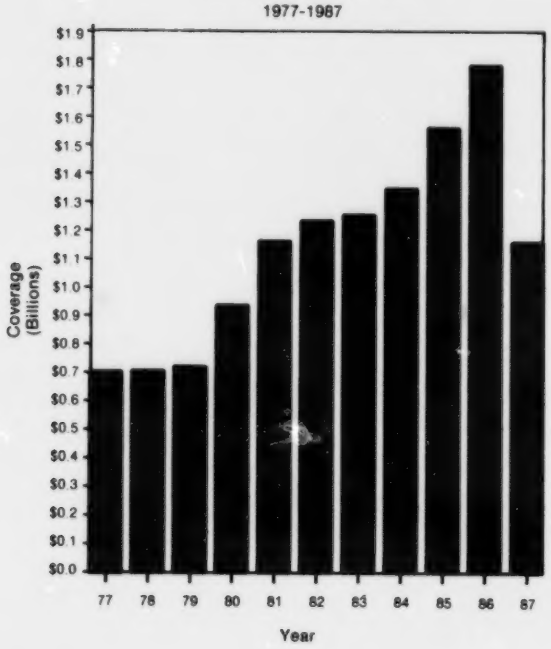
Number of Insureds
1977-1987



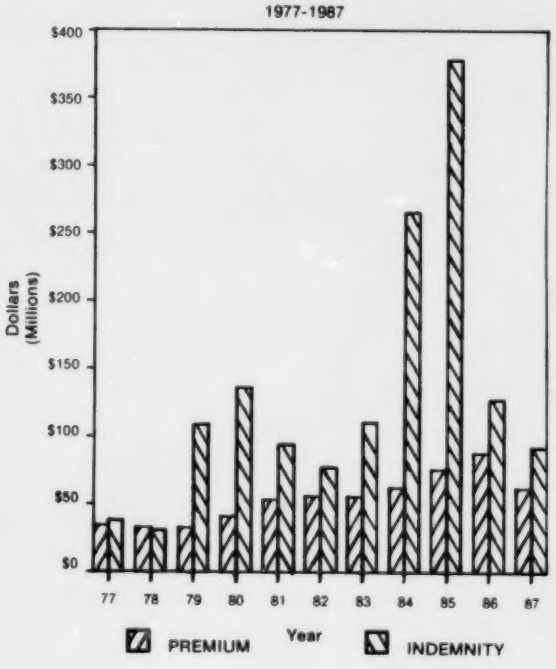
Total Insured Acreage
1977-1987



Liability (Billion $)
1977-1987

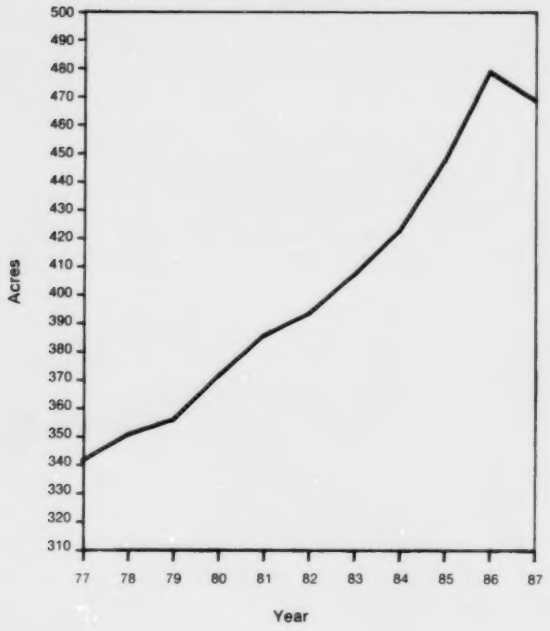


Total Premium and Indemnity
1977-1987

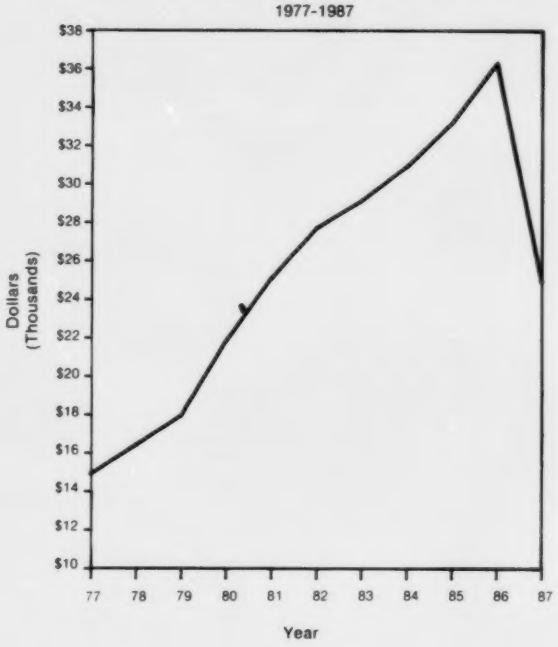


ANALYSIS OF INSURANCE

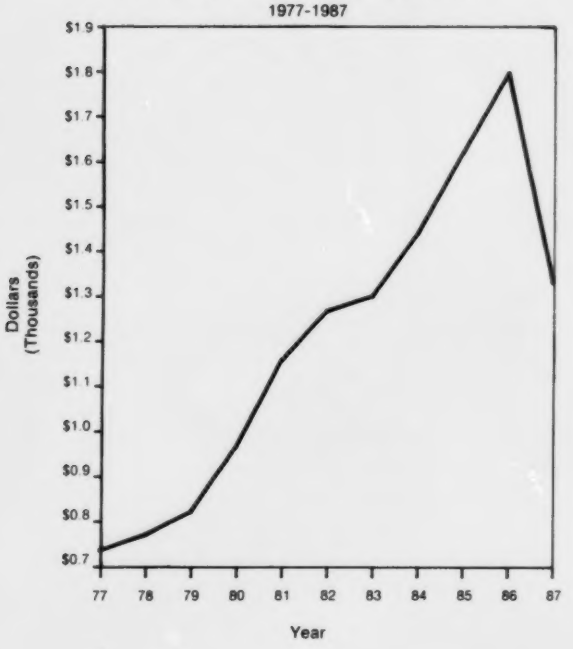
Average Acres Per Contract
1977-1987



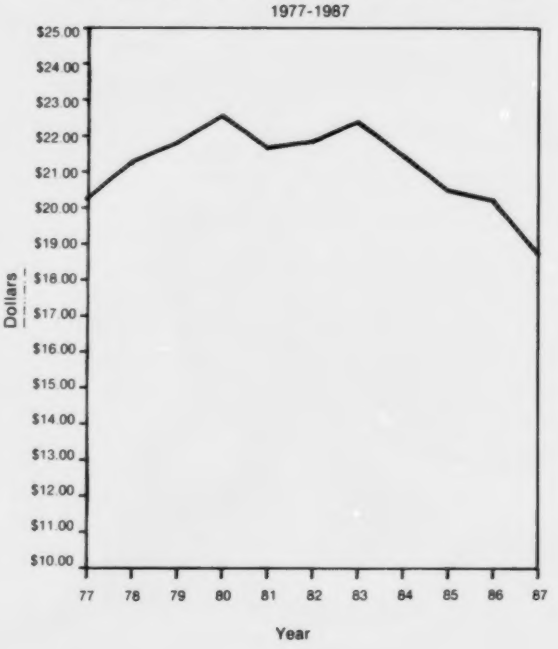
Average Dollar Coverage Per Contract
1977-1987



Average Premium Per Contract
1977-1987



Coverage Purchased Per Premium Dollar
1977-1987



Summary of experience

Year	No. of Insured	Revenue* Total	Revenue* Govt. of Can.	Indemnities Paid Number	Indemnities Paid Amount	Loss to Revenue Ratio by Year	Loss to Revenue Ratio Accumulated
1961-62	194	$ 31,586	$ 6,275	169	$ 129,669	4.11	4.11
1962-63	1,337	224,611	43,161	147	61,651	0.27	0.75
1963-64	2,235	372,180	69,657	38	9,285	0.02	0.32
1964-65	2,357	370,342	69,144	240	137,926	0.37	0.34
1965-66	3,172	402,388	74,021	301	123,304	0.31	0.33
1966-67	6,989	1,010,907	184,907	161	107,978	0.11	0.24
1967-68	8,211	1,377,099	313,499	887	497,118	0.36	0.28
1968-69	12,343	2,476,308	559,921	1,683	1,607,853	0.65	0.43
1969-70	11,637	2,007,405	427,616	553	385,787	0.19	0.37
1970-71	9,083	1,050,640	195,667	213	104,338	0.10	0.34
1971-72	7,890	1,349,366	259,933	206	142,930	0.11	0.31
1972-73	11,844	2,773,108	597,050	1,654	1,262,763	0.46	0.34
1973-74	23,909	14,341,387	6,688,320	8,484	7,730,305	0.54	0.44
1974-75	31,411	30,597,743	14,158,291	23,505	32,898,379	1.08	0.77
1975-76	38,209	40,960,627	19,985,427	24,444	28,392,087	0.69	0.74
1976-77	39,143	53,785,749	26,160,037	15,092	22,401,840	0.42	0.63
1977-78	47,156	72,441,650	34,446,565	21,915	36,862,943	0.51	0.59
1978-79	43,032	72,720,436	33,553,882	17,389	29,419,884	0.41	0.54
1979-80	40,154	76,378,011	34,426,225	39,050	103,835,041	1.34	0.71
1980-81	42,850	88,489,170	42,202,922	35,907	135,708,452	1.53	0.87
1981-82	46,259	108,487,827	52,871,324	29,167	92,280,986	0.85	0.86
1982-83	44,469	115,954,971	56,364,777	23,967	74,157,729	0.64	0.83
1983-84	43,000	114,633,673	55,620,789	26,804	105,243,197	0.92	0.84
1984-85	43,443	128,028,555	63,356,964	51,853	259,864,151	2.03	1.00
1985-86	46,894	158,212,616	77,211,976	57,693	377,180,151	2.33	1.20
1986-87	48,952	174,309,078	82,680,545	29,161	119,054,329	0.68	1.13
1987-88	46,492	130,869,228	64,143,405	25,547	87,240,750	0.67	1.09

* Revenue includes premiums from farmers, premium contributions by Government of Canada, interest on bank balances, investments and notes receivable.

Acres Insured

	Durum	Wheat Spring	Barley	Oats	Flax	Canola	Fall Rye	Sun Flowers	Utility Wheat	Mustard	Field Peas	Forage	Lentils	Canary Seed	Spring Rye	Febe-Beans	Winter Wheat	Soft White Winter Wheat	Sweet Clover	Triti-cale	Total	Ave-rage
1961-62		28,600	1,740	3,160																	31,700	160
1962-63		180,000	18,400	27,800																	226,000	169
1963-64		304,600	29,200	38,000																	371,800	166
1964-65		414,700	25,800	23,000																	463,500	197
1965-66		512,200	37,100	21,200																	570,500	180
1966-67		1,182,600	143,000	20,600																	1,346,200	193
1967-68		1,593,000	190,000	23,000																	1,806,000	220
1968-69		2,742,000	214,000	35,000																	2,991,000	242
1969-70		2,145,000	216,000	37,000																	2,398,500	206
1970-71	137,400	579,500	262,500	24,400																	1,003,800	111
1971-72	149,000	1,040,200	250,600	24,800																	1,464,500	186
1972-73	365,088	1,613,505	362,166	40,855	41,267	146,301															2,588,182	218
1973-74	715,544	4,731,716	1,008,656	234,891	153,252	388,360	2,177	1,050													7,235,666	303
1974-75	1,360,053	5,615,440	1,507,827	430,933	218,854	545,896	14,054	190	42,295	68,860											9,804,422	312
1975-76	2,072,676	6,673,045	1,519,288	559,950	227,902	881,834	29,722	829	67,105	33,871											12,066,222	316
1976-77	1,870,193	8,452,752	1,389,155	549,122	90,225	328,818	49,101	570	60,345	17,950	3,287										12,811,518	327
1977-78	1,216,660	10,367,504	2,246,807	746,651	365,647	774,775	47,929	2,291	264,967	73,457	9,919										18,116,827	342
1978-79	2,266,101	8,692,868	1,631,337	476,210	221,894	1,415,738	83,014	2,004	226,913	73,353	9,814	9,243									15,108,499	351
1979-80	1,721,750	8,706,469	1,270,343	361,241	366,897	1,616,044	76,076	4,128	58,068	44,418	12,789	8,223	13,941	24,075	4,858						14,309,340	356
1980-81	2,147,814	9,783,115	1,795,748	480,810	247,139	1,085,158	89,389	10,632	44,046	110,742	17,569	10,764	43,400	50,581	13,493						15,930,700	371
1981-82	2,749,049	11,097,416	2,180,806	546,035	210,676	686,360	138,233	4,791	37,515	75,290	15,942	13,793	44,848	39,962	18,022	152					17,849,890	386
1982-83	2,237,746	11,250,517	2,049,734	461,074	275,290	757,199	147,036	3,601	34,773	49,725	26,530	38,730	63,902	89,761	25,008	370					17,510,996	390
1983-84	2,087,304	11,854,822	1,614,460	326,370	123,665	1,112,926	135,117	1,306	25,787	93,560	21,594	14,825	56,294	47,883	8,072	1,177					17,525,182	408
1984-85	2,561,121	10,931,701	1,823,475	376,268	372,201	1,770,049	105,569	5,895	58,823	164,691	28,907	23,615	76,035	67,907	9,133	2,010					18,377,400	423
1985-86	2,899,744	11,853,170	2,218,712	469,229	430,229	1,803,123	118,634	6,103	167,936	222,031	43,796	99,934	110,469	84,892	23,484	1,017	416,257	9,329			20,991,245	450
1986-87	3,172,596	13,298,153	2,394,632	468,090	501,806	1,665,883	187,634	6,493	156,036	271,288	102,565	202,039	218,964	131,153	29,369	2,599	602,306	11,301	29,649	2,887	23,455,443	479
1987-88	3,710,793	11,674,712	2,497,283	456,691	351,599	1,627,739	164,669	11,334	59,578	117,443	206,548	99,218	333,353	158,996	15,219	4,387	264,277	4,468	45,755	2,079	21,807,171	469

Extended coverage on unseeded acres

1975-76	673,676	1977-78	74,011	1979-80	149,288	1981-82	17,553	1983-84	35,554	1985-86	92,306
1976-77	338,826	1978-79	66,645	1980-81	55,735	1982-83	23,335	1984-85	12,634	1986-87	43,521
										1987-88	4,808

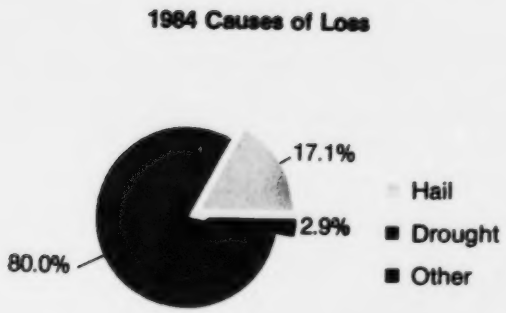
1987-88 Irrigation Summary

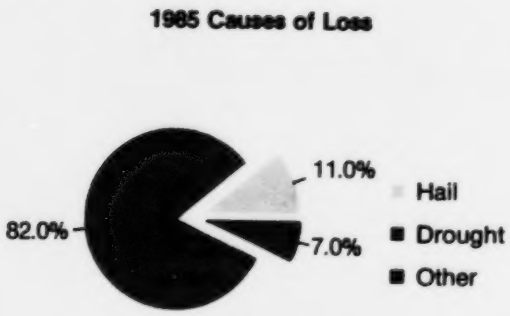
Number of Acres

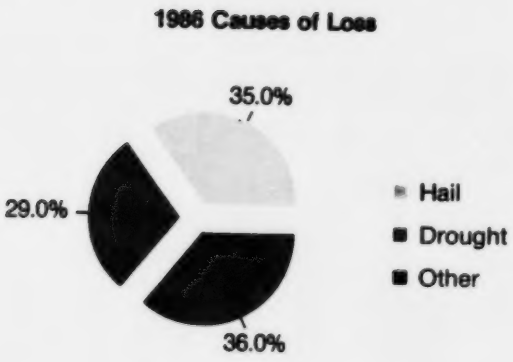
	Spring Wheat	Durum Wheat	Utility Wheat	Barley	Oats	Flax	Canola	Mustard	Lentils	Canary Seed	Febe-Beans	Field Peas	Winter Wheat	Soft White Spring Wheat	Prov. Total
1961-62	7,122	2,574	—	3,741	367	569	545	130	245	—	—				15,293
1962-63	10,796	1,178	67	3,765	226	798	912	153	290	630	—				18,815
1963-64	14,075	1,721	—	2,522	102	231	2,651	160	—	7	57				21,526
1964-65	7,457	2,519	1,099	3,325	307	1,348	5,328	724	322	27	71				22,527
1965-66	10,358	1,898	3,947	4,832	730	3,166	6,327	2,102	1,117	105	346	160	563	9,229	44,882
1966-67	10,180	2,206	2,944	7,380	1,113	3,524	6,860	1,041	4,028	379	812	968	79	10,377	51,911
1967-68	12,158	4,839	350	5,339	600	3,147	5,026	145	2,630	913	409	1,908	0	4,348	41,812

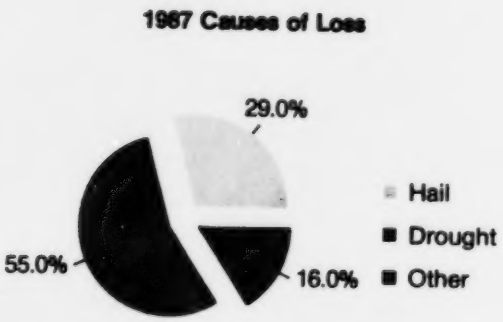
ANALYSIS OF INSURANCE

Causes of Loss



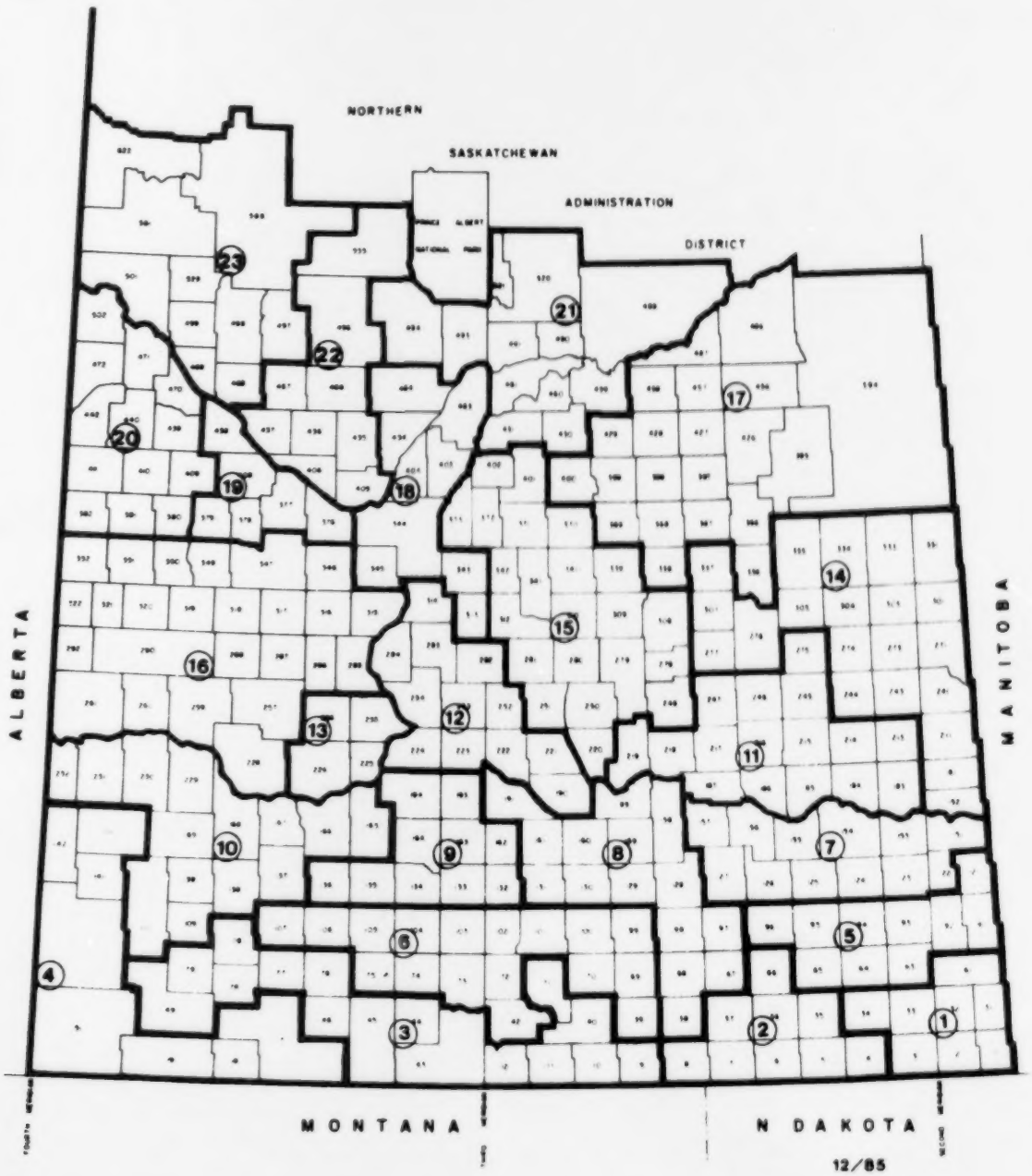






APPENDIX A

Risk Areas



APPENDIX B

Forage Areas

APPENDIX C

Customer Service Office Districts

A01 — BALGONIE
A02 — ESTEVAN
A04 — WEYBURN
A05 — CARNDUFF
A06 — MOOSOMIN
A07 — WOLSELEY

B01 — SWIFT CURRENT
B02 — ASSINIBOIA
B03 — GRAVELBOURG
B04 — SHAUNAVON
B05 — LEADER
B06 — MOOSE JAW

C01 — YORKTON
C02 — CANORA
C03 — PRECEVILLE
C04 — RAYMORE
C05 — WYNYARD
C12 — MELVILLE

D01 — ROSETOWN
D02 — DAVIDSON
D03 — KINDERSLEY
D05 — KYLE
D06 — OUTLOOK
D07 — SASKATOON

E01 — TISDALE
E02 — HUMBOLDT
E03 — MELFORT
E04 — CARROT RIVER

F01 — NORTH BATTLEFORD
F02 — TURTLEFORD
F03 — WILKIE
F04 — PRINCE ALBERT